

Message Text

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ACTION EB-08

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TAGS: ESTC, JA

SUBJECT: DIB-678P PROCEDURE: SYNERDYNE INC.

REF: STATE 144610

1. EMBASSY RECOMMENDS THAT SYNERDYNE INC., PURINERA DOGENZAKA BLDG., 1-15-3, DOGENZAKA, SHIBUYA-KU, TOKYO 150, JAPAN, BE ACCEPTED AS A PARTICIPANT UNDER THE DIB-678P PROCEDURE. SYNERDYNE APPEARS TO MEET REQUIREMENTS OF EXPORT ADMINISTRATION REGULATIONS, PART 373.3, IN TERMS OF DIRECT APPOINTMENT AS A DISTRIBUTOR/AGENT BY AN AMERICAN EXPORTER AND STATUS AS DISTRIBUTOR IN JAPAN OF INTEGRATED CIRCUITS, ALTHOUGH THE FIRM'S BUSINESS RELATIONS WITH THE AMERICAN APPLICANT, SYNERTEK INC., SANTA CLARA, CALIF., ARE RECENT AND ITS IMPORTS OF SYNERTEK PRODUCTS HAVE BEEN INSIGNIFICANT TO DATE.

2. PRESIDENT TADAO SANO OF SYNERDYNE INC., WHO SIGNED THE 678P, STATED THE FOLLOWING IN REGARD TO ITS RELATIONS WITH SYNERTEK INC.:

- A) SYNERDYNE HAS NOT DIRECTLY IMPORTED FOREIGN-
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MADE INTEGRATED CIRCUITS (IC'S), BUT HAS BEEN DISTRIBUTING LOW-PRICED, ORDINARY IC'S IN JAPAN SINCE 1975, MADE BY MOTOROLA INC., SEMI-CONDUCTOR GROUP, PHOENIX, ARIZONA AND IMPORTED BY MOTOROLA JAPAN LTD. SINCE EARLY 1976 THEY HAVE ALSO BEEN DISTRIBUTING BIPOLAR MEMORY IC'S MADE BY MONOLYTHIC MEMORIES INC. (MMI), SUNNYVALE, CALIF., AND IMPORTED BY MMI JAPAN

LTD. DURING 1977, SYNERDYNE DELIVERED APPROXIMATELY ONE MILLION PCS OR 112 MILLION YEN OF MOTOROLA-MADE IC'S AND 80,000 PCS OR 48 MILLION YEN OF MMI-MADE IC'S TO DOMESTIC CUSTOMERS WHO WERE LIMITED TO MANUFACTURERS OF ELECTRONIC EQUIPMENT FOR INDUSTRIAL USE. THESE INCLUDED SUCH LEADING FIRMS AS NEC (NIPPON ELECTRIC CO., LTD.) AND TOSHIBA (TOKYO SHIBAURA ELECTRIC CO., LTD.). IN ADDITION, SYNERDYNE BEGAN TO HANDLE SYNERTEK-MADE MEMORY IC'S FOR MICRO-COMPUTERS SINCE THE END OF 1977 AS DEMAND FOR THIS ITEM BEGAN TO INCREASE AMONG SYNERDYNE'S CUSTOMERS. UNTIL MARCH 1978, SYNERDYNE HAD TO PURCHASE SYNERTEK'S IC'S INDIRECTLY FROM TEIJIN ADVANCED PRODUCTS CORP. (TAPC), 2-1-1, UCHISAIWAI-CHO, CHIYODA-KU, TOKYO, JAPAN (SEE TOKYO 9049, JULY 7, 1975 FOR EMBASSY WTDR), AS TAPC WAS ACTING AS SYNERTEK-DESIGNATED EXCLUSIVE DISTRIBUTOR IN JAPAN FOR LAST THREE YEARS. AS THE RESULT OF TALKS BETWEEN SYNERTEK, TAPC, AND SYNERDYNE TO INCREASE SALES OF SYNERTEK-MADE IC'S IN JAPAN, AN AGREEMENT WAS SIGNED ON MARCH 23, 1978 UNDER WHICH BOTH TAPC AND SYNERDYNE WERE DESIGNATED AS NON-EXCLUSIVE JAPANESE DISTRIBUTORS OF SYNERTEK-MADE IC'S.

- B) ALTHOUGH THE QUANTITY OF SYNERTEK'S IC'S DISTRIBUTED BY SYNERDYNE HAS SO FAR BEEN INSIGNIFICANT, SYNERTEK AND SYNERDYNE CONCLUDED THAT THE FORMER SHOULD UNCLASSIFIED

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APPLY FOR A DISTRIBUTION LICENSE UNDER THE DIB-678P PROCEDURE, BECAUSE (1) DEMAND AMONG SYNERDYNE'S CUSTOMERS FOR SYNERTEK-MADE MEMORY IC'S DESIGNED SPECIALLY FOR MICRO-COMPUTERS IS EXPECTED TO INCREASE SHARPLY AS CUSTOMERS REPLACE RANDOM LOGICS WITH MICRO-COMPUTERS; AND (2) FREQUENT SHIPMENTS TO SYNERDYNE BY SYNERTEK UNDER INDIVIDUAL EXPORT LICENSES ARE LIABLE TO BE DELAYED CAUSING TROUBLE FOR CUSTOMERS' PRODUCTION SCHEDULES.

- C) END-USERS WHO RECEIVE SYNERTEK'S IC'S UNDER THE DIB-678P PROCEDURE WILL BE LIMITED TO DOMESTIC MANUFACTURERS OF ELECTRICAL EQUIPMENT FOR INDUSTRIAL USE.

3. OUR FINDINGS REVEALED THAT SYNERDYNE INC., CAPITALIZED AT TWO MILLION YEN AND WITH SIX EMPLOYEES, WAS ESTABLISHED IN OCTOBER 1975 AS A DOMESTIC DISTRIBUTOR OF SEMI-CONDUCTORS AND ACCESSORIES. THE FIRM HAS NO CAPITAL RELATION WITH SYNERTEK, ALTHOUGH THEIR COMPANY NAMES RESEMBLE EACH OTHER. NO DEROGATORY INFORMATION HAS REACHED THE EMBASSY ON SYNERDYNE INC.

MANSFIELD

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